

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARINGS CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF ENERVEST OPERATING LLC  
TO AMEND THE UNIT AGREEMENT AND THE  
UNIT OPERATING AGREEMENT FOR THE  
WEST LOCO HILLS GRAYBURG NO. 4 SAND  
UNIT, AND FOR STATUTORY UNITIZATION,  
EDDY COUNTY, NEW MEXICO.**

Case No. 14,242

**APPLICATION OF ENERVEST OPERATING  
LLC FOR EXPANSION OF THE WATERFLOOD  
PROJECT FOR THE WEST LOCO HILLS GRAYBURG  
NO. 4 SAND UNIT, EDDY COUNTY, NEW MEXICO.**

Case No. 14,243

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Enervest Operating LLC  
Suite 800  
1001 Fannin Street  
Houston, Texas 77002

Attention: Ronnie Young

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

In Case No. 14242, applicant seeks an order amending the Unit Agreement and Unit Operating Agreement, and statutorily unitizing all mineral interests in the Grayburg formation, in the

previously approved West Loco Hills Grayburg No. 4 Sand Unit, underlying 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate.

In Case 14243, applicant seeks approval to expand the waterflood project in the West Loco Hills Grayburg No. 4 Sand Unit by the injection of water into the Grayburg formation into wells located on 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166.

### PROPOSED EVIDENCE

#### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Dwain Elakley (landman)	30 min.	Approx. 18
Gary R. Kowalczyk (geologist)	20 min.	Approx. 4
Robert Lee (engineer)	45 Min.	Approx. 10


#### OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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### PROCEDURAL MATTERS

Applicant requests that these two cases be consolidated for hearing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Enervest Operating LLC